

H.R. 7 Goes Far Beyond "Charitable Choice"

- H.R. 7 gives the executive branch sweeping and unprecedented discretion to fundamentally change the structure of hundreds of federal programs worth approximately \$47 billion through the use of vouchers.
- H.R. 7 lists only broad categories of federal programs that would be subject to the charitable choice provisions. They include crime prevention, juvenile delinquency, housing statutes (including the Community Development Block Grant), job training, domestic and child abuse, and hunger relief activities.
- The bill gives no guidance as to which federal programs would be included in these categories. Consequently, defining the scope of the legislation is left to the executive branch agencies. Among the programs that could be affected are the Byrne criminal justice grants to state and local governments, after school programs, adult education, public housing assistance, school lunch and breakfast programs, the Older Americans Act and the Social Services Block Grant.
- H.R. 7 further authorizes the Secretary of each federal department that administers programs under the scope of the bill to direct the disbursement of program funds through vouchers instead of grants and contracts. Again, the specifics of this authority are left to the executive branch to work out.
- H.R. 7 will lead to major shifts in program resources, including large-scale privatization of public programs and destabilization of existing non-profit agencies. It does not limit the voucher authority to faith-based organizations. While that would be bad enough since the bill allows faith-based organizations that receive vouchers to proselytize with public funds, H.R. 7 would allow all sorts of organizations, including for-profit organizations, to receive program vouchers. Furthermore, it would jeopardize the financial stability of non-profit agencies by replacing the more reliable grant and contract funding they receive with unpredictable voucher funding.
- There has been no review of the voucher authority by the authorizing committees. H.R. 7 would permit such sweeping restructuring of hundreds of programs without any debate on the proposal's merits or its implications.
- The voucher provision has not appeared in any other version of charitable choice. It was added during the Judiciary Committee mark-up. It was not in the original version of H.R. 7 or in any previous charitable choice provision, including the 1996 welfare reform law.

July 17, 2001